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Letter dated 25 April 2008 from the Permanent Representative of Canada to the United Nations addressed to the Chairman of the Committee

As requested in paragraph 13 of Security Council resolution 1803 (2008), I am pleased to submit Canada's report on the implementation of measures decided by resolution 1803 (see annex).

(*Signed*) John **McNee**
Ambassador
Permanent Representative

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Annex to the letter dated 25 April 2008 from the Permanent Representative of Canada to the United Nations addressed to the Chairman of the Committee

[Original: English and French]

Report of Canada on the implementation of measures decided by Security Council resolution 1803 (2008)

Paragraph 13 of Security Council resolution 1803 (2008) of 3 March 2008 calls upon all Member States to report to the 1737 Committee, within sixty days of the date of adoption of the resolution, on the steps they have taken with a view to implementing effectively the resolution.

Canada wishes to inform the Committee that it is effectively implementing all measures mandated by resolution 1803 through the application of the *Regulations Implementing the United Nations Resolution on Iran* (SOR/2007-44) as amended by the *Regulations Amending the Regulations Implementing the United Nations Resolution on Iran* (SOR/2007-105) (the Iran Regulations) and the *Regulations Amending the Regulations Implementing the United Nations Resolutions on Iran* (SOR/2008-118) (the Amendments to the Iran Regulations) made under the *United Nations Act*, as well as the *Nuclear Safety and Control Act*, the *Immigration and Refugee Protection Act* and the *Export and Import Permits Act* as follows:

Paragraph 3:

[...] decides in this regard that all States shall notify the Committee established pursuant to paragraph 18 of resolution 1737 (2006) (herein "the Committee") of the entry into or transit through their territories of the persons designated in the Annex to resolution 1737 (2006), Annex I to resolution 1747 (2007) or Annex I to this resolution, as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such entry or transit is for activities directly related to he items in subparagraphs 3 (b) (i) and (ii) of resolution 1737 (2006);

Sections 13 and 14 of the Iran Regulations authorize disclosure to the 1737 Committee of the entry into, or transit through, Canada of the persons designated in the Annex to Resolution 1737 and any other person designated by the Security Council or the 1737 Committee, including those designated in Annex I to Resolution 1747 and Annex I to Resolution 1803. However, as stated in Canada's report to the 1737 Committee on the implementation of Resolution 1747, the Annex to Resolution 1737, Annex I to resolution 1747, and Annex I to Resolution 1803 provide minimal information regarding the designated individuals. As a result, identification of these individuals will be more difficult.

Paragraph 5:

Decides that all States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated in Annex II to this resolution as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of resolution 1737 (2006) and provided that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory;

Section 35 of the *Immigration and Refugee Protection Act* enables Canada to prevent the entry into transit through its territory of the individuals designated in Annex II to the resolution 1803 and all persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems. The *Immigration and Refugee Protection Act* also allows for the exceptions and exemptions to the travel ban in accordance with paragraphs 5 and 6 of resolution 1803 respectively.

Paragraph 7:

Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annexes I and III to this resolution, and any persons or entities acting on their behalf or at their direction, and to entities owned or controlled by them and to persons and entities determined by the Council or the Committee to have assisted designated persons or entities in evading sanctions of, or in violating the provisions of, this resolution, resolution 1737 (2006) or resolution 1747 (2007);

As stated in Canada's report to the 1737 Committee on the implementation on resolution 1747 (2007), paragraph 12 of resolution 1737 is implemented in Canada pursuant to section 9 of the Iran Regulations which prohibits all persons in Canada and all Canadians outside Canada from:

(a) dealing directly or indirectly in any property in Canada as at 23 December 2006 or at any time after that date, that is owned or controlled by a designated person, by a person acting on behalf of, or at the direction of, a designated person, or by a person owned or controlled by a designated person;

(b) entering into or facilitating financial transaction related to dealings referred to in paragraph (a) above;

(c) providing financial or related services in respect of the property referred to in paragraph (a) above; or

(d) making any property or any financial or other related service available, to or for the benefit of a designated person.

Section 5 of the Amendments to the Iran Regulations amends section 9 of the Iran Regulations to include persons determined by the Security Council of the United Nations or by the Committee of the Security Council to have assisted a

designated person in evading the sanctions or violating the provisions contained in the Security Council resolutions.

The definition of "designated person" in the Iran Regulations is dynamic and captures all individuals and entities designated in the Annex to resolution 1737, as well as any other individual or entity otherwise designated by the Security Council or the 1737 Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems. This definition therefore includes all designations in Annexes I and III to resolution 1803.

In accordance with paragraphs 13 and 15 of resolution 1737, sections 17, 18 and 19 of the Iran Regulations also allow for exemptions to the assets freeze.

In addition, pursuant to section 10 of the Iran Regulations, all persons in Canada and all Canadians abroad are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by section 9.

It should be noted, however, that the Annexes to resolution 1803 provide minimal information regarding the designated individuals and entities. As a result, identification of these individuals and entities will be more difficult.

Paragraph 8:

Decides that all States shall take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft to, or for use in or benefit of, Iran, and whether or not originating in their territories, of: (a) all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.7/Part 2 of document S/2006/814, except the supply, sale or transfer, in accordance with the requirements of paragraph 5 of resolution 1737 (2006), of items, materials, equipment, goods and technology set out in sections 1 and 2 of the Annex to that document, and sections 3 to 6 as notified in advance to the Committee, only when for exclusive use in light water reactors, and where such supply, sale or transfer is necessary for technical cooperation provided to Iran by the IAEA or under its auspices as provided for in paragraph 16 resolution 1737 (2006); (b) all items, materials, equipment, goods and technology set out in 19.A.3 of Category II of document S/2006/815;

Pursuant to subsections 3 (*a*) to (*d*) of the Iran Regulations, as amended by section 2 of the Amendments to the Iran Regulations, all Canadians and all persons and entities in Canada are prohibited from selling, supplying or transferring, directly or indirectly, to Iran or for the benefit of Iran, any of the items covered in paragraph 3 of resolution 1737 and paragraph 8 of resolution 1803. Also, pursuant to section 4 of the Iran Regulations, owners or masters of Canadian vessels and operators of aircraft registered in Canada may not carry, cause to be carried or permit to be carried to Iran any of the items covered in paragraph 3 of the resolution 1737 and paragraph 8 of resolution 1803.

Section 9 of the Amendments to the Iran Regulations amends section 20 of the Iran Regulations to allow for the exceptions to the ban on the supply, sale or transfer to Iran of the items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.7/Part 2 of document S/2006/814 provided under paragraph 8 (a) of resolution 1803.

In addition, pursuant to section 10 of the Iran Regulations, all persons in Canada and all Canadians abroad are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by sections 3 and 4.

Moreover, the *Export and Import Permits Act* requires a permit for the export from Canada of all goods listed on the *Export Control List*. All military and strategic dual-use goods, as defined by the appropriate international export control regimes are listed on the *Export Control List*, and therefore require a permit.

Finally, the *Nuclear Safety and Control Act* requires a licence for the export from Canada of all goods listed in the *Nuclear Non-proliferation Import and Export Control Regulations*. All nuclear and nuclear-related dual-use goods, as defined by the appropriate international export control regimes, are listed in the *Nuclear Non-proliferation Import and Export Control Regulations* and therefore require a licence.

Paragraph 17:

Emphasizes the importance of all States, including Iran, taking the necessary measures to ensure that no claim shall lie at the instance of the Government of Iran, or of any person or entity in Iran, or of persons or entities designated pursuant to resolution 1737 (2006) and related resolutions, or any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the measures imposed by the present resolution, resolution 1737 (2006) or resolution 1747 (2007);

Section 10 of the Amendments to the Iran Regulations adds section 21.1 to the Iran Regulations to implement this requirement to prevent legal proceedings in Canada by the Government of Iran, any person or entity in Iran, designated persons or entities or anyone on their behalf in connection with any contract or other transaction prevented by reason of the measures imposed by the Iran Regulations.

Ottawa, April 25, 2008